

## Message Text

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ACTION AID-59

INFO OCT-01 AF-08 ISO-00 AGR-05 L-03 EB-07 IGA-02 CIAE-00

INR-07 NSAE-00 COME-00 OMB-01 TRSE-00 CU-02 ABF-01

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----- 032955

R 271501Z JUL 76

FM AMEMBASSY KINSHASA  
TO SECSTATE WASHDC 8928

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PASS AGRICULTURE OGSM/POD

E.O. 11652: N/A

TAGS: EAID CG

SUBJ: ZAIRE PL480

REF: A. KINSHASA 8391, 9/17/75; B. KINSHASA 8357, 9/16/75

1. SUMMARY: CURRENT INDICATIONS ARE THAT 25,000 MT RICE UMR UNDER PL480 WILL NOT BE MET. LATEST IMPORT STATISTICS FOR CY 1975 WOULD APPEAR TO JUSTIFY A REDUCTION IN UMR BASED ON MARKET TREND. END SUMMARY.

2. WHILE IT IS FAR TOO EARLY TO OBTAIN OFFICIAL ZAIRIAN IMPORT STATISTICS FOR FY 1976 WE ARE REASONABLY SURE THE 25,000 MT RICE UMR UNDER THE CURRENT PL480 AGREEMENT WILL NOT BE MET. THIS JUDGEMENT BASED ON OUR CONTACTS WITH IMPORTERS, SHIPPING AGENTS AND GOVT OFFICIALS. IT APPEARS THAT ALMOST ALL RICE IMPORTED DURING FY 1976 WAS FROM US OR PRC. ORIGINALLY WE DID NOT FORSEE A PROBLEM AS THE CCC PROGRAM WAS ASSUMED TO MEET THE UMR AND THE FIRST CCC DELIVERY CONTRACT (6,810MT; 7,252MT AND 11,083MT) WOULD HAVE COVERED THE 25,000 MT. LATER, HOWEVER, THE COOK/SAPA DELIVERY CONTRACT FOR 11,083 MT WAS REDUCED TO 8,000 MT. WE UNDERSTAND THAT THE COOK REP TOLD SAPA THAT BECAUSE OF SHARP PRICE INCREASED, COOK WOULD NOT DELIVER FOR THE ORIGINALLY AGREED PRICE AND THE QUANTITY

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WAS REDUCED TO THE AMOUNT WHICH COULD BE PURCHASED WITH THE AVAIL-

ABLE CCC CREDIT.

3. THERE IS ALSO AN ADDITIONAL PROBLEM. OUR TRADE CONTACTS TELL US ABOUT 5,000 MT OF THE FINALLY CONTRACTED 22,062 CCC RICE PACKAGE HAS NOT BEEN DELIVERED. WE HAVE TOLD THE OUTSTANDING 5,000 MT (APPROX) WILL BE DELIVERED IN AUG OR SEPT. THUS IT WILL NOT MEET THE FY 1976 DELIVERY REQUIRMENT.

4. WE NOW HAVE ZAIRE'S LATEST OFFICIAL ANNUAL FREE WORLD COMMERCIAL RICE IMPORTS FOR CY 1975:

COUNTRY	MT
BEL./LUX.	24
ITALY	49
SOUTH AFRICA	6
USA	130
OTHER	26
JAPAN	41
TOTAL	276

IMPORTS FROM THE PRC WERE 5,000 MT IN 75.

THESE FIGURES AND THE EARLIER FIGURES FOR

CY1970 CY1971 CY1972 CY 1973 CY1974

24,691 47,476 36,201 30,312 3,537

MORE ACCURATELY REFLECT THE MARKET SITUATION ZAIRE WAS FACING AT THE TIME THE PL 480 AGREEMENT WAS BEING NEGOTIATED (REF B).

STATISTICAL SOURCE: DEPT OF FINANCE COMPUTER RUNS, WHICH REPRESENT APPROX 75 PERCENT OF TOTAL CUSTOMS DECLARATIONS.

5. IN REF A, WE STATED THAT "WE CONTEMPLATE THAT RICE UMR'S WILL BE APPROX 10,000 - 20,000 MT" AS MENTIONED IN PARA 1 ABOVE, WE DID NOT QUESTION WHEN UMR'S WERE SET AT 25,000 AS IT APPEARED THAT AVAILABLE CCC CREDIT WAS SUFFICIENT TO COVER SUCH AN AMOUNT. NOW THAT CY 75 STATISTICS ARE AVAILABLE, IT APPEARS CLEAR TO US THAT 25,000 MT UMR REQUIREMENT WAS HIGH IN VIEW OF DECLINING TRENDS FOR COMMERCIAL RICE IMPORTS OVER THE PAST FEW YEARS. WE URGE UMR'S FOR FY76 BE REDUCED TO APPROXIMATELY 15,000 MT WHICH APPEARS TO BE CONSISTENT WITH PAST TREND.

6. FOR FY 76, IT APPEARS THAT ACTUAL DELIVERIES OF COMMERCIAL RICE FROM NON-COMMUNIST SOURCES WILL BE APPROX 17,000 MT. ALL US RICE UNDER CCC PROGRAM. THIS WOULD BE 8,000 MT LESS THAN THE LIMITED OFFICIAL USE

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CURRENT 25,000 MT UMR REQUIREMENT. IF IT IS NOT POSSIBLE TO REDUCE FY76 UMR'S TO NO MORE THAN 17,000 MT, THE APPROXIMATE AMOUNT OF COMMERCIAL RICE FY76 IMPORTS, THE WE URGE THAT APPROX 5,000 MT OF COMMERCIAL RICE IMPORTS SCHEDULED TO ARRIVE WITHIN NEXT SEVERAL MONTHS BE CREDITED AGAINST FY 76 UMR REQUIREMENTS

THIS RICE WAS ACTUALLY PURCHASED IN FY 76 BUT DELIVERY WAS DELAYED BECAUSE OF PROBLEMS CONCERNING CREDIT AND TRANSPORTATION.

THUS REDUCTION IN FY76 UMR REQUIREMENT APPEARS PREFERABLE AND  
CLEARLY JUSTIFIED BY CY75 STATISTICS NOW AVAILABLE.  
CUTLER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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